

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4078-01
Bill No.: SB 776
Subject: Courts; Eminent Domain and Condemnation
Type: Corrected
Date: February 8, 2010
#Corrected Oversight Assumption

Bill Summary: Requires that two of three commissioners appointed in condemnation cases be real estate brokers or appraisers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Road Fund	#{Unknown but Greater than \$100,000}	#{Unknown but Greater than \$100,000}	#{Unknown but Greater than \$100,000}
Total Estimated Net Effect on <u>Other</u> State Funds	#{Unknown but Greater than \$100,000}	#{Unknown but Greater than \$100,000}	#{Unknown but Greater than \$100,000}

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts, Department of Economic Development - Public Service Commission- Professional Registration, St. Louis County and Cass County** assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Transportation** state this bill has a high potential to delay projects and potentially cause some projects to be halted from continuing toward construction. If for any reason the MHTC must condemn real property in a county where there does not exist at least a real estate broker and state-licensed or state-certified appraiser willing to serve on a condemnation commission panel the condemnation action would be delayed or even halted from continuing. In some rural counties this may very well be the case. Also, even if there are an ample supply of real estate brokers or real estate appraisers to meet the proposed requirement, they may not be able to serve due to conflicts of interest or other conflicts which may reduce the pool of qualified people thus causing delays or halting projects from moving forward. The fiscal impact of delays or projects being halted from proceeding forward is unknown but would likely be more than \$100,000 annually.

The following counties did not respond to **Oversight's** request for a fiscal impact: **Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Randolph, St. Charles, St. Francois, Taney, Texas, Warren, and Webster.**

ASSUMPTION (continued)

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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STATE ROAD FUND

<u>Cost to State Road Fund for delays or projects being halted</u>	<u>#(Unknown but Greater than \$100,000)</u>	<u>#(Unknown but Greater than \$100,000)</u>	<u>#(Unknown but Greater than \$100,000)</u>
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ESTIMATED NET EFFECT TO THE STATE ROAD FUND	<u>#(Unknown but Greater than \$100,000)</u>	<u>#(Unknown but Greater than \$100,000)</u>	<u>#(Unknown but Greater than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses in the real estate arena may see an increase in income with the requirement that at least 2 out of 3 commissioners be brokers or real estate appraisers, considering the commissioners get paid for their services.

FISCAL DESCRIPTION

This act requires that at least two of the three commissioners appointed by the court in condemnation proceedings be either a licensed real estate broker, or a licensed or certified real estate appraiser.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

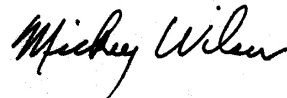
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SOURCES OF INFORMATION

Department of Transportation
Office of State Courts Administrator
Department of Economic Development
- Public Service Commission
- Office of Public Council
Office of the Attorney General
St. Louis County
Cass County

NOT RESPONDING

Counties of: Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, Randolph, St. Charles, St. Francois, Taney, Texas, Warren, and Webster.



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Director
February 8, 2010